



February 11, 2015

Ms. Laurie Hughes
Executive Director
GATEWAY TO L.A. PBID
6151 W. Century Blvd., Suite 121
Los Angeles CA 90045

Re: Proposal for Continuation of Gateway to LA PBID Renewal Services

Dear Ms. Hughes:

Kosmont & Associates, Inc., doing business as Kosmont Companies ("Consultant" or "Kosmont"), is pleased to present this proposal for continued consulting services to the Gateway to L.A. Property-based Business Improvement District ("Client" or "Gateway" or "PBID") in connection with the PBID renewal.

I. BACKGROUND AND OBJECTIVE

Gateway is seeking a budget to complete remaining tasks in connection with the renewal process for the Property-Based Business Improvement District (PBID), which existing District will expire on December 31, 2015 unless renewed.

Kosmont has been working with the Los Angeles City Clerk's Office (Clerk) as well as with Gateway's outside engineer, Kristin Lowell, in order to obtain approval of the Management District Plan (MDP) and Engineer's Report (ER), which approval will then lead to the petitioning and balloting processes, followed by anticipated City Council approval.

To date, Kosmont has prepared and vetted three major iterations of the MDP with the City Clerk's office, and has also coordinated corresponding edits to the ER with both Lowell and the Clerk's office.

Consultant's proposal and Scope of Services are as follows:

II. CONSULTANT ANTICIPATES THE FOLLOWING BUDGET FOR THE REMAINING TASKS

Kosmont will perform the following services in continuation of the pursuit of the renewal of the PBID. Cost estimates below are for Tasks related to labor, and do not include actual expenses incurred such as for the Petition packages.

Task 1: Kosmont will continue working with the City Clerk's office and Gateway's engineer to achieve MDP and ER readiness in order for Petitions to be distributed. The following assumes Round #4 of review, will be the final review with the City Clerk.

Cost Estimate: \$2,000

Task 2: Kosmont will coordinate content and mailing of Petition packages to Gateway property owners. It is anticipated that Petition packages, anticipated to be approximately 60 packages (due to several properties having the same legal property owner) will include a cover letter from Gateway's executive director and Board president, a Petition form to be completed by the property owner, the MDP, the ER as well as a return, stamped envelope for Petition form return.

Cost Estimate: \$3,500

Task 3: Coordination with the City Clerk's office related to Ballot packages to be mailed to Gateway property owners by the Clerk's office. (Lower range assumes Clerk's office has few issues and prepares/mails Ballot packages. Higher range assumes Clerk's office requires more assistance from Gateway).

Cost Range Est. : \$1,000 - \$4,000

Optional

Task 4: If desired by Client, Kosmont will provide support as needed to Gateway's Executive Director as related to City Council Committee meetings and City Council public hearings pertaining to the adoption of the "Ordinance of Intention" to begin the formal balloting process.

Cost Estimate: \$TBD

Optional

Task 5: If desired by Client, Kosmont will provide support as needed to Gateway's Executive Director to promote return of Petitions and/or Ballots by Gateway property owners. As necessary and directed by Gateway's Executive Director, meet with specific property owners within the PBID to explain the renewal process and the PBID's benefits. Attend and speak at Gateway board meetings related to renewal, as requested.

Cost Estimate: \$TBD

III. PROFESSIONAL SERVICES COMPENSATION

Compensation for labor under Tasks 1 through 4 is estimated at \$6,600. Additional budget authorization, if needed, would require prior approval of Executive Director.

Compensation for Optional Tasks 4 and 5 will be on a time and materials basis, based on Attachment A's rates.

Services will be invoiced monthly at Consultant's billing rates, as shown on Attachment A, plus reimbursement for out-of-pocket expenses such as travel and mileage, professional printing, conference calls, and delivery charges for messenger and overnight packages at actual cost.

Consultant anticipates the Petition mailing packages will cost approximately **\$450** for color copying, stapling, paper, ink, labels, outside envelopes, return envelopes and postage.

Consultant will also include in each invoice an administrative services fee to cover in-house copy, fax, telephone and postage costs equal to four percent (4.0%) of Consultant's monthly professional service fees incurred. Any unpaid invoices after 30 days shall accrue interest at the rate of 10% per annum.

IV. OTHER PROVISIONS

- A. Termination.** Client or Consultant shall have the right to terminate this Agreement at any time upon written notification to the other party. Payment for fees accrued through the date of termination shall be remitted in full.
- B. Arbitration.** Any controversy or claim arising out of or in relation to this Agreement, or the making, performance, interpretation or breach thereof, shall be settled by arbitration at JAMS in Los Angeles, California. Each of the parties to such arbitration proceeding shall be entitled to take up to five depositions with document requests. The provisions of Section 1283.05 (except subdivision (e) thereof) of the California Code of Civil Procedure are incorporated by reference herein, except to the extent they conflict with this Agreement, in which case this Agreement is controlling. If the matter is heard by only one arbitrator, such arbitrator shall be a member of the State Bar of California or a retired judge. If the matter is heard by an arbitration panel, at least one member of such panel shall be a member of the State Bar of California or a retired judge. The arbitrator or arbitrators shall decide all questions of law, and all mixed questions of law and fact, in accordance with the substantive law of the State of California to the end that all rights and defenses which either party may have asserted in a court of competent jurisdiction shall be fully available to such party in the arbitration proceeding contemplated hereby. The arbitrator and arbitrators shall set forth and deliver their findings of fact and conclusions of law with the delivery of the arbitration award. Judgment upon the award rendered shall be final and non-appealable and may be entered in any court having jurisdiction.
- C. Attorneys' Fees.** In the event of any legal action, arbitration, or proceeding arising out of an alleged breach of this Agreement, the party prevailing in such legal action, arbitration, or proceeding shall be entitled to recover reasonable attorneys' fees, expenses and costs, as well as all actual attorneys' fees, expenses and cost incurred in enforcing any judgment entered.
- D. Authority.** Each of the parties executing this Agreement warrants that persons duly authorized to bind each such party to its terms execute this Agreement.
- E. Further Actions.** The parties agree to execute such additional documents and take such further actions as may be necessary to carry out the provisions and intent of this Agreement.
- F. Assignment.** Neither this Agreement nor any of the rights or obligations hereunder may be assigned by either party without the prior written consent of the other party.
- G. Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.
- H. Entire Agreement; Amendments and Waivers.** This Agreement contains the entire agreement between the parties relating to the transactions contemplated hereby and any and all prior discussions, negotiations, commitments and understanding, whether written or oral, related hereto are superseded hereby. No addition or modification of any term or provision of this Agreement shall be effective unless set forth in writing signed by both parties. No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver of such provisions unless otherwise expressly provided. Each party to this Agreement has participated

in its drafting and, therefore, ambiguities in this Agreement will not be construed against any party to this Agreement.

I. Severability. If any term or provision of this Agreement shall be deemed invalid or unenforceable, the remainder of this Agreement shall not be affected thereby, and each remaining term and provision of this Agreement shall be valid and in force to the fullest extent permitted by law.

J. Notices. All notices, requests, demands and other communications which may be required under this Agreement shall be in writing and shall be deemed to have been received when transmitted; if personally delivered, if transmitted by telecopier, electronic or digital transmission method, upon transmission; if sent by next day delivery to a domestic address by a recognized overnight delivery service (e.g., Federal Express), the day after it is sent; and if sent by certified or registered mail, return receipt requested, upon receipt. In each case, notice shall be sent to the principal place of business of the respective party. Either party may change its address by giving written notice thereof to the other in accordance with the provisions of this paragraph.

K. Titles and Captions. Titles and captions contained in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provision herein.

L. Governing Law. The statutory, administrative and judicial law of the State of California (without reference to choice of law provisions of California law) shall govern the execution and performance of this Agreement.

M. Confidentiality. Each of the parties agrees not to disclose this Agreement or any information concerning this Agreement to any persons or entities, other than to their attorneys and accountants, or as otherwise may be required by law.

N. Counterparts. This Agreement may be executed in one or more counterparts, each of which constitutes an original, and all of which together constitute one and the same instrument. The signature of any person on a telecopy of this Agreement, or any notice, action or consent taken pursuant to this Agreement shall have the same full force and effect as such person's original signature.

O. Disclaimer. Consultant's financial analysis activities and work product, which may include but is not limited to pro forma analysis and tax projections, are projections only. Actual results may differ materially from those expressed in the analysis performed by Consultant due to the integrity of data received, market conditions, economic events and conditions, and a variety of factors that could materially affect the data and conclusions. Client's reliance on Consultant's analysis must consider the foregoing.

Consultant services outlined and described herein are advisory services only. Any decisions or actions taken or not taken by Client and affiliates, are deemed to be based on Client's understanding and by execution of this Agreement, acknowledgement that Consultant's services are advisory only and as such, cannot be relied on as to the results, performance and conclusions of any investment or project that Client may or may not undertake as related to the services provided including any verbal or written communications by and between the Client and Consultant.

Client acknowledges that Consultant's use of work product is limited to the purposes contemplated within this Agreement. Consultant makes no representation of the work product's application to, or suitability for use in, circumstances not contemplated by the scope of work under this Agreement.

P. Limitation of Damages. In the event Consultant is found liable for any violation of duty, whether in tort or in contract, damages shall be limited to the amount Consultant has received from Client.

Q. Expiration of Proposal for Services. If this Agreement is not fully executed by the parties within thirty (30) days from the date of this letter, this proposal shall expire.

R. Not an agreement for Legal Services or Legal Advice. This Agreement does not constitute an agreement for the performance of legal services or the provision of legal advice, or legal opinion. Client should seek independent legal counsel on matters for which Client is seeking legal advice.

V. ACCEPTANCE AND AUTHORIZATION

If this Agreement is acceptable to Client, please execute two copies of the Agreement and return both originals to Kosmont Companies. Upon receipt of both signed contracts, we will return one fully executed original for your files. Kosmont will commence work upon receipt of executed Agreement.

Read, understood, and agreed to this
13 Day of FEBRUARY 2015

Gateway to L.A.

By: 
(Signature)

Name: LAURIE HUGHES
(Print Name)

Its: EXECUTIVE DIRECTOR
(Title)

Kosmont & Associates, Inc.
doing business as "Kosmont Companies"

By: 
(Signature)

Name: Larry J. Kosmont, CRE

Its: President & CEO

ATTACHMENT A

Kosmont Companies 2015 Public Agency and Non-Profit Fee Schedule

Professional Services

President & CEO	\$295.00/hour
Partner/Senior Vice President/Senior Consultant	\$225.00/hour
Vice President/Associate	\$185.00/hour
Project Analyst / Project Manager	\$150.00/hour
GIS Mapping/Graphics Service/Research	\$ 95.00/hour
Clerical Support	\$ 60.00/hour

- Additional Expenses

In addition to professional services (labor fees):

- 1) An **administrative fee** for miscellaneous copying, fax, phone and postage costs will be charged, which will be computed at four percent (4.0 %) of monthly Kosmont Companies professional service fees incurred; **plus**
- 2) **Out-of-pocket expenditures**, such as travel and mileage, professional and/or color printing, postage and delivery charges for messenger and overnight packages will be charged at cost.
- 3) If Kosmont retains **Third Party Vendor(s)** for Client (with Client's advance approval), fees and cost will be billed to Client at 1.1X (times) fees and costs.

- Charges for Court/Deposition/Expert Witness-Related Appearances

Court-related (non-preparation) activities, such as court appearances, depositions, mediation, arbitration, dispute resolution and other expert witness activities, will be charged at a court rate of 1.5 times scheduled rates, with a 4-hour minimum.

Rates shall remain in effect until December 31, 2015.